

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice FI-2577

For: State and County Offices

March 2003 CCC and Farm Storage Facility Loan (FSFL) Program Interest Rates

Approved by: Acting Controller, CCC



1 Announcing Interest Rate Change

A

Background

Under provisions of the Federal Agriculture Improvement and Reform Act of 1996, as amended, 1996 and subsequent crop year commodity loans will accrue interest at a rate 1 percentage point higher than the CCC borrowing interest rate.

CRP and loan deficiency overpayment refunds, where the interest rate is based on the CCC borrowing rate in effect on the day the overpayment was made, will continue to accrue interest at the CCC borrowing interest rate.

FSFL Program loans will accrue interest at an interest rate equivalent to the rate of interest charged on Treasury Securities of comparable maturity.

B

Purpose

This notice announces CCC's programs various interest rates for March 2003.

C

Applicability

These interest rates:

- apply to all regular commodity loans and selected program overpayments disbursed during March 2003 as specified in subparagraph D
- are subject to adjustment each succeeding January 1, except where noted
- apply to FSFL activity based on the date CCC-185 is "approved pending funding" by COC or STC and remain in effect for the 7-year term of the loan.

Continued on the next page

Disposal Date

August 1, 2003

Distribution

State Offices; State Offices relay to County Offices

1 Announcing Interest Rate Change (Continued)

D

Interest Rates

The interest rate for March is:

- 1.375 percent per annum for CCC borrowing rate-based interest charges
 - 2.375 percent per annum for 1996 and subsequent crop year commodity loan borrowing
 - 3.500 percent per annum for FSFL CCC-185's "approved pending funding" by COC's or STC's.
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